



STATE OF DELAWARE
DEPARTMENT OF NATURAL RESOURCES
AND ENVIRONMENTAL CONTROL

89 KINGS HIGHWAY
DOVER, DELAWARE 19901

OFFICE OF THE
SECRETARY

PHONE: (302) 739-4403
FAX: (302) 739-6242

SECRETARY'S ORDER NO. 2006-A-0008

DATE OF ISSUANCE: March 7, 2006

BACKGROUND

On November 30, 2004, the Department issued Secretary's Order No. 2004-A-0058 and Permit Nos . APC-81/0828-CONSTRUCTION (Amendment 1) for the crude unit, APC-95/0570-CONSTRUCTION (Amendment 2)(LAER)(NSPS) for the crude unit atmospheric heater, and APC-90/0264-CONSTRUCTION (Amendment 6)(NSPS) for the sulfur recovery area to The Premcor Refining Group, Inc. (Premcor), at Premcor's Delaware City Refinery.

On December 20, 2004 Premcor appealed the above referenced air quality management permits to the Environmental Appeals Board. The appeals involve numerous provisions in the permits. At the request of the parties, the Environmental Appeals Board stayed these and other appeals so that the parties could determine whether they could resolve their differences with respect to the permits. The parties met thereafter and settled their differences with respect to these permits and have proposed to amend these permits to effectuate that settlement.

Delaware's Good Nature depends on you!

The Secretary determined it was appropriate to seek public comment on the proposed amendments to the permits, which would resolve several of the appeals. Notice of the intent to amend the permits was published in both the Delaware State News and the News Journal.

Thereafter, the Sierra Club requested additional time in order to review the proposal and submit comments. The Secretary allowed the Sierra Club until February 21, 2006, to submit their comments, and Premcor did not object to giving the Sierra Club additional time. No comments were received by anyone other than the Sierra Club. The Sierra Club submitted the following comment during the extended time period: "There was a [meeting] last night of the Conservation Committee of the Sierra Club. It was decided to send a letter to DNREC in protest of the concessions made by DNREC. Since Valero is under a cloud during an investigation of 2 fatalities plus their record profits for 2005, we do not feel that DNREC should have felt the need for concessions. We appreciate your efforts to explain the positions of DNREC. Thank you, Al Denio."

FINDINGS

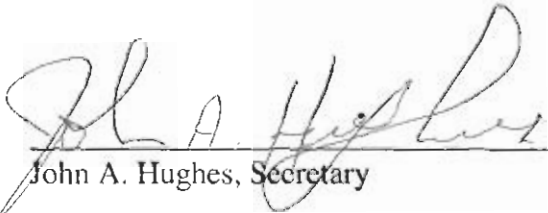
Based on the above, the Secretary makes the following findings:

1. No one except the Sierra Club submitted written comments protesting the proposed amendments to the permits. Further, the Sierra Club did not specify the provisions about which it complains or indicate any environmentally related reason not to make the proposed modifications to the air quality management permits. Consequently, I do not find any factual basis in the written comment to modify any of the language in the proposed changes to permits.
2. Amending the permits in the manner proposed would resolve the pending appeals of the air quality permits.

3. It is in the best interests of both parties and the citizens of the State of Delaware to amend the permits to resolve this appeal without further litigation.

ORDER

It is hereby ordered that the Department issue amended permits in the form attached hereto.



John A. Hughes, Secretary